RECESS PACKET:
Energy Independence and Security Act

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A NEW DIRECTION FOR ENERGY SECURITY

OFFICE OF THE SPEAKER

December 18, 2007

The New Direction Congress has finalized the **Energy Independence and Security Act**, an historic bill to make America more energy independent, respond to the global warming crisis, and grow our economy. Record high prices for oil—with prices at the pump more than double the price in 2001, and heating oil costs triple that of 2001—add urgency. The legislation:

- **Strengthens national security, by lessening our dependence on foreign oil**
- **Reduces global warming**
- **Lowers energy costs for consumers**
- **Creates hundreds of thousands of new jobs and strengthens our economy**

Strengthens National Security

- Increases vehicle fuel efficiency standard to 35 miles per gallon in 2020—the first congressional increase in 32 years.
- Slashes U.S. oil consumption by more than 4 million barrels per day by 2030—more than twice our daily imports from the Persian Gulf.
- Expands American-grown biofuels to 36 billion gallons in 2022.

Reduces Global Warming

- Cuts greenhouse gas emissions by 2030 by up to 24 percent of what the U.S. needs to do to help save the planet.
- Increased vehicle fuel efficiency has the equivalent effect of taking 28 million vehicles off the road in 2020.
- Increases the efficiency of buildings, homes, appliances, and lighting, reducing emissions 75 percent as much as increasing vehicle efficiency.
- Makes an historic commitment to American homegrown renewable energy that reduces greenhouse gas emissions.

Lowers Energy Costs

- Increased vehicle fuel efficiency will save American families $700 to $1,000 a year at the pump.
- New fuel efficiency standards will produce $22 billion in net annual savings for consumers in 2020.
- Building, appliance, and lighting efficiency will save consumers $400 billion through 2030.

Creates Jobs

- Massive development of biofuels and cutting-edge energy research will create hundreds of thousands of new jobs.
- Job training will prepare workers for 3 million new ‘green’ jobs over 10 years
- Small businesses will be renewable energy leaders.

The Energy Independence and Security Act has won expansive bipartisan support from a broad coalition of state and local elected officials, environmental, labor, faith and business communities.

Press Opportunity

The New Direction Congress enacted the **Energy Independence and Security Act**, an historic law to make America more energy independent, respond to the global warming crisis, and grow our economy. Record high prices for oil—with prices at the pump more than double the price in 2001, and heating oil costs triple that of 2001—add urgency. The legislation:

- **Strengthens national security, by lessening our dependence on foreign oil**
- **Reduces global warming**
- **Lowers energy costs for consumers**
- **Creates hundreds of thousands of new jobs and strengthens our economy**

This agreement builds on the New Direction for Energy Independence, National Security, and Consumer Protection Act (H.R. 3221, and H.R. 2776) passed this summer, which includes wide-ranging solutions from 10 House committees. With passage of this measure, we are cutting greenhouse gas emissions by 2030 by up to 24 percent of what the U.S. needs to do to help save the planet, saving American families $700 to $1,000 a year at the pump, and slashing U.S. oil consumption by more than 4 million barrels per day by 2030.

Opposition of Senate Republicans and a veto threat by the White House forced several provisions of the House bill to be dropped – the renewable electricity standard and tax incentives for clean renewable and alternative energy paid for by repealing subsidies for Big Oil. The 110th Congress will build on the progress of this historic energy bill by continuing the fight for incentives for clean renewable and alternative energy, and moving forward with major global warming legislation.

POSSIBLE PRESS/PUBLIC EVENTS

- Pump gas at a local station. In interviews at the pump, highlight our Energy Independence effort. Videotape it and put highlight clips on your own Website.
- Go to a car dealer to talk about how the new fuel efficiency standards for vehicles will be good for consumers, the environment and the American auto industry.
- Hold a roundtable discussion with farmers hit hard by energy costs, or visit a farm growing renewable energy crops, highlighting what the New Direction Congress is doing to address the problem—and make farmers a bigger part of the solution, producing bio-fuels and employing new technologies. Pitch it to industry press and newsletters too.
- Tour a business that has recently converted its facility into a “green” building to demonstrate how the Democratic legislation will reduce our carbon footprint.

- Hold a global warming event with environmental or faith and religious groups on how energy independence helps curb global warming.
- Hold a town hall on energy efficiency to talk about how your constituents can reduce their energy consumption and costs through a range of initiatives, like purchasing energy saving (Energy Star) appliances, insulating their homes, and making sure their car tires are properly inflated. Consider featuring experts such as local or federal energy officials or partnering with local officials who are promoting renewable energy. Emphasize that our energy package include new energy efficiency standards and that we all must do our part to reduce energy usage and costs.
- Meet with local small businesses to talk about ways in which they can reduce their energy costs, energy usage, or contribute to the development of new energy efficient technologies. Note that part of our energy package focuses on small businesses.
- Go to an adult vocational educational center and talk about the green jobs initiative. Invite officials from local workforce development centers, utilities and unions to discuss opportunities for training and green jobs in your area.

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Questions & Answers

Q. What does the bill do to increase the domestic production of energy and natural gas?

A. The 110th Congress is committed to reducing our dependence on foreign oil by focusing on rapidly expanding the production of clean, alternative energy, such as biofuels. We know that American ingenuity and farmers are critical to freeing us from our addiction to foreign oil. The bill includes ambitious targets for corn ethanol and cellulosic ethanol and biodeisel.

The new energy law passed only two years ago was heavily focused on domestic production of oil and gas, and for six years, the Bush Administration has done nothing but promote domestic production. And during that time, gas prices have doubled, our dependence on foreign oil has increased, oil companies are reaping record profits, and global warming has worsened.

So we are taking America in a new direction on energy that both reduces our dependence on foreign oil and begins to tackle the problem of global warming. It is critical to strengthen energy efficiency standards and incentives, spur new energy technology, and make a historic commitment to American grown fuels as part of the answer to energy independence and global warming, as well as to create new jobs for the 21st Century.

Q. How does the bill address concerns about the ethanol provisions raising the price of food?

A. Ethanol and other homegrown biofuels are critical to reducing our dependence on foreign oil and growing our economy. The bill's targets for biofuels are ambitious, and we know that American farmers and ingenuity, with new developing technologies, will meet those targets.

The Energy Information Administration has reported that producing 15 billion gallons per year of corn-based ethanol would not adversely affect food prices. The targets for cellulosic ethanol are in line with those called for by President Bush, with the USDA/DOE finding that more than a billion tons of feedstock for cellullosic ethanol can be easily made available.

To keep prices in check, the bill also includes an effective safety valve to address any serious supply or cost concerns related to the renewable fuel requirements. The EPA Administrator or states could reduce required volumes of advanced biofuels to the level of actual production if the targets in the bill prove too ambitious. It also requires the National Academies of Science to assess the impact of the bill on the production of feed grains, livestock, food, forest products, and energy, and analyze what conditions should prompt the suspension of the mandate due to adverse economic impacts to animal and regional agriculture.

Q. Why did the House propose eliminating tax subsidies for oil companies?

A. The House-passed energy bill invests in clean renewable and alternative energy and new American technologies to build viable markets and create jobs. These provisions are supported by renewable energy industry, farm organizations, and the high tech industry -- the businesses that will reduce our consumption of foreign oil, electricity and natural gas.

Saving consumers $30 billion through 2030 and reducing greenhouse gas emissions by 913 million metric tons, these bipartisan provisions in the Clean Renewable Energy and Conservation Tax Act of 2007 include:

- Long-term tax incentives to spur the development and deployment of renewable and alternative energy including wind, biomass, geothermal, hydropower, marine, landfill gas and solar energy;
- Tax credits for production of biofuels, including cellulosic ethanol;
- Tax incentives to promote greater efficiency for homes and businesses;
- Bonds for State and local governments and rural co-ops to institute innovative local programs to reduce greenhouse gas emissions; and
- Tax credits for carbon capture and sequestration demonstration projects

These provisions are critical to a cleaner, greener energy future for America, and were fully paid for to uphold our promise of fiscal responsibility.

These investments were paid for largely through closing $13 billion tax loopholes and subsidies that were needlessly given to Big Oil companies at a time of record profits. These tax provisions are narrowly targeted at only the big five large integrated oil companies, which have made more than $480 billion in profits over the last six years. To ensure an energy independent future for America, everyone must do their part.

Q. Will the Renewable Electricity Standard passed by the House raise prices and disadavantage the Southeast?

A. A number of studies show that a federal RES will not hurt consumers, and in fact will save consumers a substantial amount. For example:

- The Union of Concerned Scientists found cumulative savings of $13 billion to $18 billion by 2020.
- The energy consulting firm Wood Mackenzie projected that consumers would save more than $100 billion under a 15-percent-by-2020 standard (putting the energy efficiency provision aside), even after accounting for the upfront costs of investing in renewable energy.
- A recent analysis by the Energy Information Administration states: "There is almost no projected change in cumulative discounted energy expenditures by residential consumers through 2030."

Not only will the renewable electricity standard reduce cost, it will also generate 185,000 new and high-paying jobs in equipment manufacturing, installation, and maintenance---120,000 more than would be created by fossil fuel projects. [World Resources Institute study]

Thanks to abundant biomass resources, the RES is an opportunity for the Southeast. The EIA analysis shows that in 2020, under a Federal RES, biomass would dominate the renewable electricity mix. The study shows that about 70 percent of renewable electricity generation in 2020 will be from biomass. According to the National Renewable Energy Lab (NREL), the Southeast contains more biomass than any other region in the country.

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Broad and Growing Support for Energy Independence and Security Act

FARM GROUPS AND RENEWABLE FUEL STAKEHOLDERS

American Farm Bureau Federation
American Coalition for Ethanol
National Association of Wheat Growers
National Bio Diesel Board
National Corn Growers Association
National Farmers Union
National Grain Sorghum Producers
Renewable Fuel Association

STATE AND LOCAL OFFICIALS

Western Governors Association
U.S. Conference of Mayors
National League of Cities

LABOR

United Auto Workers
United Steel Workers
National Construction Alliance:
- Laborers International Union
- International Union of Operating Engineers
- Carpenters and Joiners of America

Labor Council for Latin American Advancement

BUSINESS

Alliance of Automobile Manufacturers
Ceres – Investors and Environmentalists for sustained prosperity
Energy Future Coalition
Geothermal Energy Association
Hispanic Chamber of Commerce

FAITH GROUPS

American Jewish Committee
Evangelical Lutheran Church in America
Friends Committee on National Legislation
Jewish Council for Public Affairs
National Council of Churches USA
Presbyterian Church USA Washington Office
The United Methodist Church-General Board of Church in Society
Union of Reform Judaism

ENVIRONMENTAL GROUPS

Alaska Wilderness League
Alliance to Save Energy
Audubon
Defenders of Wildlife
Earthjustice
Environment America
Environmental Defense
League of Conservation Voters
National Environmental Trust
National Tribal Environmental Council
National Wildlife Federation
Natural Resources Defense Council
Northern Alaska Environmental Center
Sierra Club
Southern Environmental Law Center
The Wilderness Society
Union of Concerned Scientists

OTHER

Consumer Federation of America
Physicians for Social Responsibility
National Latino Council on Climate Change

December 19, 2007

What Others Are Saying

"The bill represents a historic opportunity to ease America's dependence on foreign oil and to take steps in the battle against global warming…"

– *New York Times Editorial, 12/13/07*

"The groundbreaking deal in Congress to raise mile-per-gallon standards will compel the auto industry to churn out more fuel-efficient vehicles on a faster timeline than the companies wanted, though with flexibility to get the job done."

-- AP, 12/1/07

"The leadership in Congress promised a new direction on energy and today they have delivered. This bill is a clean break with the failed energy policies of the past and puts us on the path toward a cleaner, greener energy future. The centerpiece of this bill is a dramatic increase in fuel economy standards that has been some three decades in the making. It's testament to the skill and tenacity of Speaker Pelosi, Majority Leader Reid, and other key leaders in Congress that not only have we achieved this historic victory--but that we do so with environmentalists, labor unions, and business standing together in celebration.

-- Sierra Club, 12/18/07

"The environmental movement has been trying for more than 20 years, through both Democratic and Republican administrations, to force the auto industry to build cars that get better mileage. It took record gas prices and worrisome signs of a changing climate to do it, but the light finally turned green this week with the Senate's passage of a history-making energy bill."

-- Los Angeles Times editorial, 12/15/07

"The American people are demanding a new direction in energy policy, and Congress has spent the last year doing just that. The bills that the House and Senate passed are a dramatic departure from the energy bills of the last three decades…This historic legislation will make America more energy independent, more secure, create thousands of new jobs, spark economic growth, save consumers money, cut pollution and make real progress to reduce carbon emissions warming the Earth."

--Natural Resources Defense Council, 12/13/07

"By passing energy legislation that couples the benefits of renewable fuels with conservation measures like higher vehicle efficiencies, Congress will deliver to the American people the map to chart a new energy direction in this country."

-- Renewable Fuels Association, 12/13/07

"After more than thirty years, Congress is finally poised to reduce our dangerous oil addiction. Speaker Pelosi and Majority Leader Reid along with Chairman Dingell and Chairman Markey deserve tremendous credit for breaking the decades-long log jam on fuel economy."

-- Environment America, 12/13/07

"This bill is good for America, and it is good for America's farmers. Renewable fuels have revitalized once-struggling rural communities by creating economic opportunities for family farmers, ranchers and rural Americans. America's farmers and ranchers are ready, willing and able to be part of our nation's energy solution and reduce our reliance on foreign oil. We've seen the economic benefits renewable fuels production provides to rural America, and the expansion of the RFS will continue the success of the current standard by increasing ethanol production and providing more opportunities for farmers, ranchers and the communities in which they live."

-- National Farmers Union, 12/18/07

"Getting cleaner cars is a huge environmental victory that will reduce global warming pollution and clean our air. The benefits will last for decades… We have an important victory… The historic auto efficiency victory shows us that good policy and strong public support can eventually win the day over narrow special interests."

-- Audubon, 12/13/07

"Both the Senate and the House of Representatives have reached agreement on measures that will reform and strengthening the Corporate Average Fuel Economy (CAFE) system and result in significant oil savings. Both chambers have developed compatible plans for expanding the production of renewable alternatives under an aggressive but achievable Renewable Fuel Standard…. These meaningful measures on fuel economy and renewable fuels are supported by a truly bipartisan consensus, and they will produce substantial and much needed improvements in the nation's energy security."

-- Securing America's Future Energy, a coalition of business and military leaders working to reduce the dependence on oil that threatens our national and economic security, 12/17/07

"We thank the leadership for recognizing the future of renewable fuels. This bill creates a solid foundation for grain-derived ethanol to continue to grow. Our nation's corn growers are committed to producing a supply to meet America's food and fuel needs."

-- National Corn Growers Association, 12/13/07

ENERGY INDEPENDENCE DAY

OFFICE OF THE SPEAKER

December 19, 2007

Rural America
Fuels Energy Independence

Investing in America will lead us to energy independence. America has the technology and the resources to make our own fuel from the crops we grow in our fields. From corn-based ethanol in the Midwest, to biodiesel from soybeans in North Carolina, to sweet sorghum in Texas, to rice straw in California, our fields abound with crops that can be converted into biofuels to power our cars and trucks. America can develop emerging technologies to process homegrown alternative fuels across the country. Not only will this reduce our dependence on foreign oil, but it will have the added benefit of creating good-paying jobs in rural America.

Our energy package is the next step on the road to reducing our dependence on foreign oil and protecting our planet. It will make an historic investment in getting biofuels from the farm to our fuel tanks, and provide a critical and timely stimulus for investments in research, technology and infrastructure to usher in the next generation of biofuels. American farmers will lead the way.

Increase Production of American-made Biofuels

- Expands the current Renewable Fuels Standard (RFS), increasing the renewable fuels produced and used in our country to 36 billion gallons by 2022.
    - This would represent more than 25% of the gasoline that we use in our country today.
- Sends a clear message to Wall Street and technology innovators that America wants clean fuel from renewable resources.
- Increases corn-derived ethanol from its current annual production level (6.5 billion gallons) to 15 billion gallons.
- Beginning in 2016, an increasing portion of renewable fuels must be advanced biofuels, starting at 3 billion gallons in 2016 and increasing to 21 billion gallons in 2022. There have been advances in using a range of farm products—from switchgrass to woodchips and even algae—for a promising future for biofuels grown or processed all across America.
- Provides grants to encourage the production of advanced biofuels that achieve significant greenhouse gas emissions reductions.
- Includes critical environmental safeguards to ensure that the growth of homegrown fuels help to reduce carbon emissions. Under the bill, conventional biofuels will be required to emit 20 percent fewer lifecycle greenhouse gas emissions compared to gasoline, and the bill includes protections to ensure that increased use of biofuels will not harm our air or water quality.

Expand the Market and Distribution of Biofuels

- Increases the number of gas stations offering ethanol (E-85, the gas/ethanol blend) and biodiesel through grants for small- and medium-sized companies for installing, replacing, or converting infrastructure (such as pumps) so they can be used with renewable fuels, including E-85. Currently, only one of every 170 stations sells E-85.
- Increases the "flex-fuel" vehicles that run on ethanol, or gasoline through grants and incentives to support the domestic development and production of flex fuel vehicles, and contains consumer education on the availability of flexible-fuel vehicles and the locations where renewable fuels can be purchased.
- Nearly 5 million alternative-fuel vehicles are currently on U.S. roads—and many of their owners don't even know it. The "Big Three" automakers have pledged to double the number of flex-fuel vehicles that they produce by 2010, and to make half of their fleets flex-fuel by 2012.
- Takes steps to improve distribution of biofuels by studying the adequacy of railroad infrastructure for the delivery of ethanol as well as the feasibility of the construction of dedicated ethanol pipelines. Transporting ethanol has been a hindrance to widespread use of ethanol across the nation.

Research and Development to Improve Use of Renewable Energy

- Invests in biofuels research to make biofuel production more efficient, and environmentally sound -- creating a new research component to improve the energy efficiency in biorefinery facilities to reduce energy consumption in the development of biofuels.
- Invests in cutting edge research to develop new processes for turning other farm products, such as switchgrass and woodchips, into biofuels.
- Includes a variety of studies to improve the use of biofuels, focusing on optimization of flex-fuel vehicles while running on E-85, and engine durability at differing blend levels of biodiesel.

NEARLY SEVEN YEARS OF BUSH ADMINISTRATION –
Record Profits For Big Oil, Record Prices At The Pump For American Families

STATE	REGULAR GAS 12/07*	REGULAR GAS 1/01*	% MORE SINCE 2001
Alabama	$2.89	$1.36	113%
Alaska	$3.24	$1.66	95%
Arizona	$2.97	$1.47	102%
Arkansas	$2.88	$1.39	107%
California	$3.29	$1.44	129%
Colorado	$2.87	$1.46	96%
Connecticut	$3.22	$1.52	112%
Delaware	$2.92	$1.45	101%
Florida	$3.06	$1.32	132%
Georgia	$2.91	$1.21	141%
Hawaii	$3.46	$1.78	94%
Idaho	$3.09	$1.46	111%
Illinois	$3.04	$1.47	107%
Indiana	$2.97	$1.40	112%
Iowa	$2.90	$1.43	103%
Kansas	$2.88	$1.37	110%
Kentucky	$2.94	$1.40	110%
Louisiana	$2.90	$1.37	112%
Maine	$3.13	$1.48	111%
Maryland	$2.95	$1.45	104%
Massachusetts	$3.02	$1.51	100%
Michigan	$3.01	$1.42	112%
Minnesota	$2.86	$1.57	82%
Mississippi	$2.89	$1.40	106%
Missouri	$2.81	$1.38	104%
Montana	$3.08	$1.49	107%
Nebraska	$3.00	$1.46	105%
Nevada	$3.10	$1.59	95%
New Hampshire	$3.00	$1.48	102%
New Jersey	$2.90	$1.35	115%
New Mexico	$2.90	$1.42	104%
New York	$3.27	$1.43	129%
North Carolina	$2.96	$1.38	114%
North Dakota	$2.98	$1.56	91%
Ohio	$2.99	$1.48	102%
Oklahoma	$2.81	$1.31	115%
Oregon	$3.04	$1.51	101%
Pennsylvania	$3.05	$1.43	113%
Rhode Island	$3.07	$1.52	102%
South Carolina	$2.83	$1.32	114%
South Dakota	$2.98	$1.50	99%
Tennessee	$2.87	$1.35	113%
Texas	$2.85	$1.33	114%
Utah	$3.06	$1.35	126%
Vermont	$3.10	$1.48	109%
Virginia	$2.88	$1.39	107%
Washington	$3.15	$1.49	111%
West Virginia	$3.06	$1.40	119%
Wisconsin	$2.96	$1.54	92%
Wyoming	$2.97	$1.35	120%

*SOURCE: *Price per gallon, AAA Fuel Gauge Report – 12/18/2007 and 1/16/2001.*

Union of Concerned Scientists
Citizens and Scientists for Environmental Solutions

fact sheet

35 MPG by 2020: Fueling Job Growth and Saving Consumers Money

The technology exists today to increase the fuel economy of America's cars and trucks. Investing in new fuel-saving technology spurs economic activity – creating new jobs, saving consumers money, and insulating the U.S. economy from rising oil prices.

Analysis by the Union of Concerned Scientists shows that raising fleetwide fuel economy standards to an average of 35 miles per gallon by 2020 creates jobs and consumer savings across the country. This analysis shows that fuel economy provisions in the House energy legislation (H.R. 6) will create nearly **150,000 jobs in the year 2020** and will save consumers nearly $22 billion even after paying for the needed technology (assuming gas at $2.55 per gallon – in 2005 dollars).

Projected Consumer Savings and Jobs Created from Raising Fuel Economy Standards to 35 mpg by 2020 – 2006 Average Gasoline Price

State	Jobs created	Annual Net Consumer Savings in 2020 (million $ per year)	State	Jobs created	Annual Net Consumer Savings in 2020 (million $ per year)
Alabama	2,400	$414	Montana	400	$65
Alaska	200	$44	Nebraska	900	$131
Arizona	2,800	$436	Nevada	1,000	$174
Arkansas	1,300	$218	New Hampshire	600	$109
California	19,900	$2,530	New Jersey	4,300	$676
Colorado	2,100	$327	New Mexico	700	$153
Connecticut	2,000	$262	New York	8,200	$894
Delaware	500	$65	North Carolina	4,600	$676
Dist. of Col.	400	$22	North Dakota	300	$44
Florida	8,800	$1,352	Ohio	6,700	$807
Georgia	4,500	$807	Oklahoma	1,000	$284
Hawaii	600	$65	Oregon	1,700	$240
Idaho	600	$87	Pennsylvania	6,100	$807
Illinois	6,400	$807	Rhode Island	400	$65
Indiana	4,000	$502	South Carolina	2,400	$393
Iowa	1,700	$240	South Dakota	400	$65
Kansas	1,100	$174	Tennessee	3,400	$480
Kentucky	2,300	$349	Texas	8,700	$1,832
Louisiana	1,400	$371	Utah	1,200	$153
Maine	700	$109	Vermont	300	$65
Maryland	2,800	$414	Virginia	4,000	$633
Massachusetts	3,400	$458	Washington	3,100	$436
Michigan	7,400	$785	West Virginia	700	$131
Minnesota	2,800	$414	Wisconsin	3,000	$393
Mississippi	1,300	$262	Wyoming	200	$44
Missouri	3,400	$502			
			United States	**149,300**	**$21,767**

Based on gasoline use data for 2005. (FHA, Highway Statistics 2005, Table MF-21). Consumer savings based on a gas at $2.55 per gallon, in 2005 dollars. Jobs estimates derived from initial analysis of 35 mpg by 2020 in H.R. 6 and then adjusted to account for difference in net savings for 35 mpg by 2020 in the House energy bill. Original jobs analysis based on IMPlan model, originally developed for USDA, and model runs by MRG Associates.

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